

STAT

**Page Denied**

STAT

INFORMATION ON DEVELOPMENT OF USSR FOREIGN TRADE

Vneshnyaya Torgovlya  
Moscow, No 1, Jan 55

I. Ikonnikov

The struggle now being carried on by the USSR to relax international tension and strengthen peaceful cooperation among nations has led to a new expansion of economic relations between the USSR and foreign countries during the past year [1954]. A contributing factor in strengthening foreign trade ties between the USSR and foreign countries was the considerable success attained in the development of all branches of the socialist economy in 1954.

Economic cooperation with the People's Democracies has been strengthened. As in the past, trade with these countries held a predominant position in the foreign trade turnover of the USSR. Long-term agreements concerning mutual exchange of goods are a firm foundation for further expansion of the volume of trade between the USSR and the People's Democracies.

During last year, trade negotiations were carried out in an atmosphere of friendship and cooperation and protocols covering reciprocal trade were signed by the USSR with Poland, the GDR, Hungary, Czechoslovakia, and Rumania. The protocols covering reciprocal deliveries provided for an expansion of commodity turnover during 1954 over the annual turnover fixed for that year by long-term trade agreements, as well as over the trade turnover attained during 1953. Protocols covering mutual exchange of goods were also signed between the USSR and the People's Republic of China, the USSR and the Democratic People's Republic of Korea and the USSR and Albania.

In 1954, the USSR concluded a long-term agreement with Bulgaria governing reciprocal deliveries of goods for the period 1955-1957, including deliveries of machinery for complete equipment of certain enterprises. In connection with the expiration of the 5-year trade agreement, a new agreement concerning mutual exchange of goods for the period 1955-1957, as well as a protocol concerning commodity turnover for 1955, was signed with the Mongolian People's Republic.

Between September and October 1954, negotiations took place between the USSR and the People's Republic of China regarding Sino-Soviet relations and the international situation. The negotiations led to the adoption of a series of important decisions, particularly the signing of an agreement granting to the government of the People's Republic of China a long-term credit of 520 million rubles. A protocol concerning USSR assistance in the construction of enterprises and an increase in the supply of equipment for enterprises being set up in China, was also signed.

Scientific and technical cooperation between the USSR and the People's Democracies was also developed further during 1954. This cooperation embraces the exchange of technical documents, plans, and working drawings on the production of the most important types of machines, descriptions of technological production processes, scientific-technical literature, etc.

Simultaneously, in the past years, and especially in 1954, the economic ties of the USSR with a number of capitalist countries were increased significantly. The capitalist countries with whom the USSR is engaging in mutually beneficial trade include: Finland, Great Britain, France, Sweden, Italy, the Belgian-Luxembourg Economic Union, the Netherlands, Norway, Egypt, Lebanon, Afghanistan, Turkey, and Iran. For the first time in the postwar period,

STAT

trade agreements were concluded in 1953 with India and Argentina. The USSR also successfully developed trade with other capitalist countries. With many countries, trade was conducted on the basis of trade agreements and mutual exchange agreements.

During 1954, the USSR also signed trade protocols with the Belgian-Luxembourg Economic Union, the Netherlands, Norway, Finland, France, Sweden, Afghanistan, and Iceland. Also concluded were the trade and payments agreement between the USSR and Lebanon, a trade agreement with Egypt, and a payments agreement between the State Bank USSR and the Bank of Uruguay. An exchange of letters concerning mutual exchange of goods with India, Greece, Iran, and other countries also took place. In addition, commercial negotiations were carried out by Soviet foreign trade organizations with representatives of British firms, which led to the signing of large contracts for deliveries of goods and to the placement of orders in Britain.

The economic ties between the USSR and Finland were successfully strengthened. The volume of trade between the USSR and Finland at the end of 1954 was 3.5 times greater than in 1950. As a result of agreements on economic questions, the USSR made a loan of 40 million rubles to Finland on favorable terms at the beginning of 1954. A second long-term agreement between the USSR and Finland, covering the period 1956-60, was also signed, and provides for the systematic growth of trade between the two countries in the next few years. A new agreement was signed for the year preceding the expiration of the 5-year trade agreement which was concluded in 1950. The new agreement attests to the mutual benefit of Soviet-Finnish trade.

It should be noted that in 1954, Soviet foreign trade organizations signed a compensatory agreement for the mutual exchange of goods with Yugoslav foreign trade organizations.

Further strengthening of economic cooperation between the USSR and capitalist countries is shown by the visits made to the USSR by economic delegations from India, Indonesia, Pakistan, Egypt, Argentina, Japan, and Burma. The delegations of these countries, consisting of representatives of industrial and business groups, had the opportunity to acquaint themselves more closely with the economic structure of the USSR, to visit various enterprises and institutions in Moscow and other large cities, and to familiarize themselves with agricultural development and cultural life in the USSR.

To further economic and cultural rapprochement and assist in the development of economic ties with foreign countries, the USSR participated actively in a number of expositions and fairs in the past year. These fairs were held in Milan, Izmir, Vienna, Damascus, Djakarta, London, Lyons, Leipzig, and Salonika. An exposition showing USSR economic and cultural achievements was also opened in Peiping, during the celebration of the Fifth Anniversary of the People's Republic of China. A Soviet industrial, agricultural, and handicrafts exposition was organized in Copenhagen. In the past nine years the USSR has participated in foreign trade expositions 47 times.

The uninterrupted development of USSR foreign trade ties after World War II has led to a significant increase in trade. During the first years of the Soviet state, foreign trade was carried on with only a few countries, and the annual volume of foreign trade was valued at only about one billion rubles. In the prewar years, the annual volume of Soviet foreign trade rose to its highest peak during the First Five-Year Plan, when it amounted to approximately 7 billion rubles. Because of continued strengthening of economic cooperation with the People's Democracies, and development of trade with various capitalist countries in the postwar years, the foreign trade volume of the USSR began to grow rapidly and steadily and in 1953 amounted in comparative prices to 23 billion rubles, four times greater than the value on the eve of World War II.

STAT

In 1954, USSR foreign trade grew still more; foreign trade volume for the first half of 1954 was 30 percent greater than in the first half of 1953.

The USSR always proceeds from the possibility of peaceful coexistence of various social-economic systems, and the development of foreign trade is considered as the most appropriate basis for economic rapprochement with other countries. The tremendous efforts directed toward the construction of a socialist economy and the creation of industry in the prewar years did not signify a desire on the part of the USSR to be isolated from the capitalist countries. The USSR always stood for the development of trade with other countries, regardless of their social systems.

Following World War II, a short-sighted policy of boycott and discrimination against trade with the USSR, the People's Republic of China, and the other People's Democracies, was initiated by the US and several other capitalist countries. However, it should be noted that even in the past, when the USSR was weaker than at present, all efforts to hinder expansion of USSR economic ties with other countries ended in failure.

One of the most impressive indexes of the progress of USSR foreign trade is the fundamental change in its composition. The relative share of equipment has grown and the composition of exports and imports has become more varied. These changes are related to USSR industrial and economic achievements.

The rapid development of the socialist economy based on industrialization and collectivization, permitted significant increases in the production of various types of raw materials such as ferrous and nonferrous metals, synthetic rubber, cotton, wool, and other items. Consequently, the USSR changed from importer to exporter of such commodities as metals, cotton, fertilizers, etc.

The list of products currently used in USSR foreign trade includes several thousand industrial and agricultural products, such as machinery and equipment, fuel, mineral raw materials, metals, chemicals, fertilizers, rubber, construction materials and components, raw materials of vegetable and animal origin, livestock, raw material for the production of foodstuffs, foodstuffs, and manufactured consumer goods.

Successes achieved in the development of industries manufacturing producer goods have permitted the USSR to export a wide range of products of the Soviet machine building industry, such as machinery, equipment, instruments, apparatus, tools, and spare parts at this time [January 1955].

Soviet goods currently exported include several hundred types and sizes of metal-cutting machines; various types of presses and forges; power, electrical engineering, mining, metallurgical, petroleum, hoisting and transportation equipment; equipment for the food and light industry; road equipment; machines for the printing industry; communications equipment, and others.

In the postwar period, the export of machinery and materials for the complete equipment of enterprises achieved vast proportions, particularly with respect to the People's Democracies. For example, on the basis of long-term credit, Poland received equipment and material for 60 large industrial projects. Along with deliveries of industrial equipment the USSR also rendered scientific and technical aid to the People's Democracies.

The USSR delivers large quantities of equipment to the People's Republic of China to promote the creation of Chinese heavy industry and the development of other branches of the Chinese economy. According to the Sino-Soviet agreement of 1953, the USSR is rendering economic and technical aid in the construction and reconstruction of 141 large enterprises, which will gradually result

STAT

in the creation of a powerful heavy industry in China. Deliveries of equipment are made to metallurgical enterprises engaged in the production of nonferrous metals, coal mines, oil refineries, machine-building plants, and many other establishments. The protocol signed in October 1954, provides for Soviet aid in the construction of 15 additional Chinese industrial enterprises and an increase in the volume of deliveries of equipment for enterprises listed in the 1953 agreement.

Soviet exports of equipment and materials are used in many branches of modern industry. Equipment exported is used in the mining, petroleum, metallurgical, power, electrical engineering, boiler construction, pipe construction, machine building, tool and instrument construction, hoisting and transportation, road and construction, ore mining, agricultural machine building, and chemical industries, as well as the paper, light, food, and other industries.

Equipment is also exported to capitalist countries. In 1954, the USSR furnished equipment and machinery to Finland, India, Lebanon, Egypt, and Afghanistan, in accordance with agreements. Soviet motor vehicles are exported to the Netherlands, the Belgian-Luxembourg Economic Union, Egypt, Lebanon, Finland, Sweden, Norway and Greece.

In the postwar period, the efforts of economically underdeveloped countries to create national industry also found support in the USSR as well as in the People's Democracies. Characteristic of this is the 5-year trade agreement concluded between the USSR and India in 1953. The list of Soviet supplies to India includes a wide range of industrial equipment such as boring, mining, and road construction equipment; excavators; compressors; electrical equipment; equipment for textile, footwear, and printing industries; machinery and instruments; and tractors and agricultural machines. The USSR will also extend technical aid to India.

Other machinery and equipment was shipped to Argentina, in accordance with a trade and payments agreement concluded in 1953. The USSR delivered equipment and materials for the petroleum extraction industry, railroad and electrical engineering equipment, tractors, and agricultural machinery, and other items to Argentina.

Soviet foreign trade organizations are delivering equipment and materials to Afghanistan in accordance with the credit agreement signed at the beginning of 1954. The USSR is furnishing aid to Afghanistan in the construction of two elevators, mills, and bread factories, and is delivering the necessary material and equipment for these enterprises.

Fuel, metals, mineral raw materials, and raw materials of vegetable and animal origin, as well as raw material for the production of foodstuffs, play a large role in USSR exports. The USSR sells abroad the most varied raw material commodities, including iron ore, magnesite and chrome ore, metallic concentrates, cast iron, copper, lead, aluminum, zinc, ferroalloys, anthracite, petroleum, petroleum products (benzene, kerosene, diesel fuel, etc.) fertilizers, synthetic rubber, pyrites, cotton, asbestos, bristles, and a number of other products.

Significant quantities of raw materials were sent to the People's Democracies during the first postwar years, as a means of aid to those countries. For the most part, the USSR exports lumber and timber products, grain, and furs, as well as foodstuffs, to the People's Democracies.

STAT

The Communist Party and the Soviet Government have recently instituted a series of measures designed to expand the agricultural economy. These measures guarantee increased production of foodstuffs and raw materials and, in particular, an increase in the production of grain. Thus, the USSR will obtain greater reserves of grain for increased exports.

The number of goods in current USSR exports is unusually vast and embraces a wide variety of industrial and agricultural products, some of which are included on the so-called "strategic" commodities list, and whose export to the People's Democracies by capitalist countries receiving American "aid" is prohibited. This shows that the USSR strives towards strengthening of peaceful economic relations with other countries and rejects "military-strategic" considerations designed to create obstacles in normal, mutually advantageous trade.

Any foreign country can find a profitable trade partner in the USSR, since the policy of seizing markets and "selling and not buying" is not practiced. A country with any type of economy can negotiate a mutually profitable reciprocal exchange of goods with the USSR.

The USSR is a large buyer of ordinary export goods from other countries. The development of trade with the People's Democracies is quite significant in this respect. The alteration in the composition of the exports of the People's Democracies, with respect to the growth of the industrial share, is concomitant with the expansion of trade between these countries and the USSR. For example, for the years 1946-1953, the composition of Polish foreign trade changed substantially, because Poland changed from an economically backward to an industrialized country. In 1947, the USSR imported mainly Polish raw materials and semifinished products (nonferrous metals, coke, etc.) At present, (January 1955), the USSR imports products of the Polish machine-building, metallurgical, and metalworking industries; various raw materials such as coal, coke, and other items; and products of the light industry such as textiles, footwear, foodstuffs, and other goods. The volume of Polish trade with the USSR has increased eightfold in the postwar period.

The USSR imports vessels from the People's Democracies and from capitalist countries. On Soviet orders, Finland is building diesel-electric ice-breakers, and a number of Western European countries are building freighters, refrigerator ships, fishing, and other vessels.

The USSR is also a constant buyer of several types of raw materials both in the People's Democracies and in capitalist countries.

In the past few years, greater quantities of consumer goods have been imported as a supplement for the population. These imports include such food and manufactured goods as rice, citrus fruits, bananas, herring, meat, fat, high-grade wool and silk fabrics, furniture, and other items. In 1953 alone, the USSR purchased consumer goods valued at 4 billion rubles, from other countries.

The USSR stands for the development of trade relations with all countries on the basis of equality and mutual advantage. The USSR conducts trade on the basis of long-term agreements, which have found wide acceptance with the People's Democracies, and with some capitalist countries.

- E N D -